

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

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MAY 13 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02539A
Granite Oaks Water Users Association
P. O. Box 4947
Chino Valley AZ 86323

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
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FOR COMMISSION USE

Ann04	03
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COMPANY INFORMATION

Company Name (Business Name) GRANITE OAKS WATER USERS ASSOCIATION, INC

Mailing Address P.O. Box 4947
(Street)

CHINO VALLEY
(City)

AZ
(State)

86323
(Zip)

928-583-0655
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

Local Office Mailing Address _____

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: LEE HIXSON
(Name)

(Title)

1825 E. VANDERHOEF LN
(Street)

COTTONWOOD
(City)

AZ
(State)

86326
(Zip)

928-634-2533
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: ROBERT BUSCH
(Name)

(Title)

2050 N LIVE OAK DR
(Street)

PRESCOTT
(City)

AZ
(State)

86305
(Zip)

928-443-0589
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: DOUGLAS C NELSON PC
(Name)

7000 N 16th ST #120-307 PHOENIX AZ 85020
(Street) (City) (State) (Zip)

602-395-1612 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: DOUGLAS C NELSON, PC
(Name)

7000 N 16th ST #120-307 PHOENIX AZ 85020
(Street) (City) (State) (Zip)

602-395-1612 _____
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>501(c)12 CORP</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---------------------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	12,128	3,078	9,050
302	Franchises	350	89	261
303	Land and Land Rights	68,068		68,068
304	Structures and Improvements	45,896	11,644	34,252
307	Wells and Springs	125,567	9,041	116,526
311	Pumping Equipment	147,148	17,220	129,928
320	Water Treatment Equipment	8,266	891	7,375
330	Distribution Reservoirs and Standpipes	27,440	6,962	20,478
331	Transmission and Distribution Mains	725,359	134,944	590,415
333	Services	26,370	6,689	19,681
334	Meters and Meter Installations	10,026	2,545	7,481
335	Hydrants	31,288	626	30,662
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	47,128	2,112	45,016
340	Office Furniture and Equipment	11,317	452	10,865
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,286,351	195,574	1,090,777

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	12,128	.02	243
302	Franchises	350	.02	7
303	Land and Land Rights	68,068		
304	Structures and Improvements	45,896	.02	918
307	Wells and Springs	125,567	.02	1,790
311	Pumping Equipment	147,148	.02	2,098
320	Water Treatment Equipment	8,266	.02	118
330	Distribution Reservoirs and Standpipes	27,440	.02	549
331	Transmission and Distribution Mains	725,359	.02	10,341
333	Services	26,370	.02	527
334	Meters and Meter Installations	10,026	.02	201
335	Hydrants	31,288	.02	626
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	47,128	.02	672
340	Office Furniture and Equipment	11,317	.02	226
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,286,351		18,316

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 84,015	\$ 83,706
134	Working Funds		
135	Temporary Cash Investments	283,275	47,000
141	Customer Accounts Receivable		958
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 368,717	\$ 131,664
	FIXED ASSETS		
101	Utility Plant in Service	\$ 810,236	\$ 1,286,351
103	Property Held for Future Use	62,068	
105	Construction Work in Progress	175,684	64,934
108	Accumulated Depreciation – Utility Plant	(177,258)	(195,574)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 870,730	\$ 1,155,711
	TOTAL ASSETS	\$ 1,239,447	\$ 1,287,375

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 954	\$ 965
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	50	
	TOTAL CURRENT LIABILITIES	\$ 1004	\$ 965
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	45,488	31,013
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	714,616	714,616
272	Less: Amortization of Contributions	(172,035)	(186,427)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 589,073	\$ 559,202
	TOTAL LIABILITIES	\$ 634,561	\$ 560,167
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value	7,000	7,000
215	Retained Earnings 719,750	643,374	720,208
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 652,374	\$ 727,208
	TOTAL LIABILITIES AND CAPITAL	\$ 1,239,447	\$ 1,287,375

COMPANY NAME

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 247,548	\$ 227,188
460	Unmetered Water Revenue		
474	Other Water Revenues	1,198	4,953
	TOTAL REVENUES	\$ 248,746	\$ 232,141
	OPERATING EXPENSES		
601	Accounting	\$ 6,802	\$ 31,860
610	Purchased Water		
615	Purchased Power	20,673	19,816
618	Chemicals	270	649
620	Repairs and Maintenance	10,073	12,203
621	Office Supplies and Expense	5,519	6,499
630	Outside Services	72,646	82,660
635	Water Testing	1,860	548
641	Rents	212	820
650	Transportation Expenses		
657	Insurance - General Liability	4,122	5,828
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	5,318	1,802
403	Depreciation Expense	1,685	3,924
408	Taxes Other Than Income	10,872	
408.11	Property Taxes	9,581	4,761
760	TELEPHONE	239	1,463
	TOTAL OPERATING EXPENSES	\$ 149,874	\$ 172,833
	OPERATING INCOME/(LOSS)	\$ 98,872	\$ 59,308
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 13,511	\$ 8,605
421	Non-Utility Income	52,182	10,011
426	Miscellaneous Non-Utility Expenses	9,525	1,091
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$ (23,980)	\$ 17,525
	NET INCOME/(LOSS)	\$ 74,892	\$ 76,833

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$
Meter Deposits Refunded During the Test Year	\$

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-524070	15	80	20 510	10 8	3	1989
55-601103	50	350	643	14/10	4	1962
55-588634	50	350	574	12/10	4	2003

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	3	31	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	2,800	1
84,000	1	3,200	1

COMPANY NAME

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC C900	5,850
5		
6	PVC C900	57,997
8	PVC C900	4,532
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	439
3/4	2
1	1
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

OTHER:

COMPANY NAME:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	424	2,648,220	2,670,000
FEBRUARY	430	3,134,250	3,232,100
MARCH	428	2,576,580	2,675,800
APRIL	427	6,630,760	6,462,200
MAY	425	8,150,330	8,012,800
JUNE	429	9,218,870	8,984,600
JULY	432	9,579,000	9,586,000
AUGUST	433	6,179,640	6,172,900
SEPTEMBER	432	7,780,660	7,147,700
OCTOBER	435	6,128,520	6,226,800
NOVEMBER	444	3,606,340	3,664,000
DECEMBER	438	3,326,470	3,449,000
TOTAL		N/A	68,283,900

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes

☐ No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes

☒ No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ~~< .003~~ / ~~< .003~~ mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME _____ YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$ 4761

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME _____

YEAR ENDING 12/31/2003

INCOME TAXES

NON PROFIT - TAX EXEMPT

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 0
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Robert M Busch
SIGNATURE

May 10, 2004
DATE

Robert M Busch
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAY 13 2004

VERIFICATION

STATE OF AZ

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>YAVAPAI</u>
NAME (OWNER OR OFFICIAL) TITLE <u>Robert M Busch, Manager</u>
COMPANY NAME <u>GRANITE OAKS WATER USERS ASSOCIATION, INC</u>

**2 CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 265,888

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 15,131
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
928-583-0655
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10th DAY OF

COUNTY NAME <u>Yavapai County</u>
MONTH <u>May</u> 2004
<u>M. Allison Huddleston</u> SIGNATURE OF NOTARY PUBLIC


**OFFICIAL SEAL
MERI ALLISON HUDDLESTON
(SEAL) PUBLIC - State of Arizona
YAVAPAI COUNTY
MY COMMISSION EXPIRES Jan. 25, 2007**

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

MAY 13 2004

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

AZ CORPORATION COMMISSION

DIRECTOR OF UTILITIES

(COUNTY NAME) YAVAPAI

NAME (OWNER OR OFFICIAL) Robert M Buschi

TITLE Manager

COMPANY NAME
GRANITE OAKS WATER USERS ASSOCIATION, INC

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

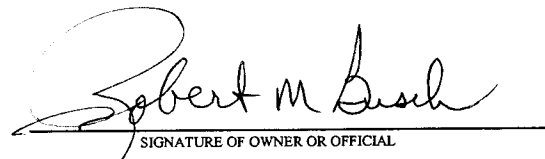
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 265,888

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 15,131
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

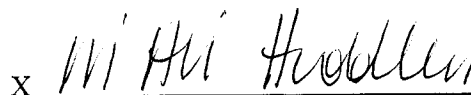
16th

DAY OF

NOTARY PUBLIC NAME <u>Meri Allison Huddleston</u>	
COUNTY NAME <u>Yavapai</u>	
MONTH <u>May</u>	<u>2004</u>

(SEAL)

OFFICIAL SEAL
MERI ALLISON HUDDLESTON
NOTARY PUBLIC - State of Arizona
YAVAPAI COUNTY
MY COMMISSION EXPIRES Jan. 15, 2007
1-15-07

X 

SIGNATURE OF NOTARY PUBLIC